



May 21, 2014

To: Executive Board

Subject: **Possible Exercise of Contract Option – Transit Bus**

Recommendation

Authorize the Executive Director to exercise Option No. 2 of Contract No. 12-040 and negotiate final terms and conditions with North American Bus Industries (NABI) for the purchase of thirty (30), compressed natural gas (CNG) fueled, 42-foot coaches at a total cost of \$17,145,720.00, excluding sales tax.

Analysis

The Federal Transit Administration (FTA) stipulates that buses purchased with federal funds must remain in service for 12 years or 500,000 miles, whichever comes first. Foothill Transit currently has 30 additional buses that will reach that threshold and will be eligible for retirement at the end of 2014. The 30 new NABI CNG buses will be replacements for these aging coaches. They will be a low-floor design, with modesty barriers on the front-facing seats for safety and with a seating capacity for 38 passengers. Delivery is expected in December 2014.

NABI has provided a proposed price for the purchase of the buses based on Foothill Transit's current bus specifications and options. As required by FTA's Procurement Guidelines, the pricing of the option buses was evaluated as part of the original procurement. For this purchase, the cost is derived from the base order of thirty 42-foot coaches delivered to Foothill Transit in 2013, and includes appropriate producer price index (PPI) increases. Also as required by the FTA, a price analysis has been conducted and documented and the price of these 30 buses has been determined to be fair and reasonable.

Budget Impact

The base cost of 30 NABI 42-foot coaches is \$551,093.50 per bus including delivery. These 30 buses are identical to the 64 NABI that were delivered in December 2013. State of California sales/use tax will be paid separately by Foothill Transit. Funding for these buses is included in Foothill Transit's FY 15 Budget.

Sincerely,

A blue ink signature of Roland M. Cordero, written in a cursive style.

Roland M. Cordero
Director of Maintenance & Vehicle Technology

A blue ink signature of Doran J. Barnes, written in a cursive style.
Doran J. Barnes
Executive Director